

25X1

CENTRAL INTELLIGENCE AGENCY

25X1

INTELLFAX 9

INFORMATION REPORT

CD NO.

COUNTRY Macao/Hong Kong/China

DATE DISTR. 23 OCT 51

SUBJECT 1. Southeast Asia Shipping Company
2. Smuggling from Hong Kong to Macao

NO. OF PAGES 1

PLACE
25X ACQUIREDNO. OF ENCL.
(LISTED BELOW)25 DATE OF
25 INFO.SUPPLEMENT TO
REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE ACT OF 1917, AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS TO ANY PERSON TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

581
582

25X1

1. In August 1951 LI Shao-chih (李少芝) was in Macao arranging for the establishment there of a branch of the Southeast Asia Shipping Company, a firm operated by Soviets and whose head office in Canton is known as the Ta Nan Hang (大南行). He had had many interviews with HO Hsien, manager of the Nan Kuang Company, but at the end of the month had found no office space. The company was expecting a ship, approximately 3,000 tons, to come to Macao from Jakarta in mid-September. In addition to this vessel, to be registered in Macao and fly the Portuguese flag, the Southeast Asia Shipping Company expected to operate other ships which would proceed from sea to Canton directly, without stopping at Macao or any Chinese Customs Office, and without preparing customs clearance papers.
2. Shipments from Hong Kong to Macao by way of Cheung Chau Island were being handled by three large companies operated by HUANG Ch'eng-yeh (黃成業), and three smaller concerns at Cheung Chau. These companies operate 7 motorized sailing junks, 20 Taikoo junks, and 20 Yangchiangso² junks. They undertake to handle all shipping documents for cargoes. The working arrangement with shippers will be for the transportation firms to pay to the owners of the cargo 80 percent of its selling price. On delivery they will collect the full selling price from the consignee.³
3. On 21 August five motorized, eight Taikoo and ten Yangchiangso junks went to Macao.

25X1A

1. [REDACTED] Comment. Smuggling through Cheung Chau was reported [REDACTED]
2. [REDACTED] Comment. This may be a type of river junk associated in some way with Yangchiang, Kwangtung Province. Taikoo junks are presumably a type manufactured in the Taikoo Dockyard, Hong Kong.
3. [REDACTED] Comment. This method of handling smuggling costs is slightly different from that described [REDACTED] in that the carrier enters into the transaction as a sort of middleman, and the transportation charges (25 percent of the sellers' price for the goods) are at once fixed and relatively low.

25X1A

25X1

CONFIDENTIAL

25X1

CLASSIFICATION SECRET

STATE #	NAVY	NSRB	DISTRIBUTION		
ARMY	<input checked="" type="checkbox"/>				
Document No. 10 <input type="checkbox"/> No Change in Class. <input type="checkbox"/> <input type="checkbox"/> Declassified Class. Changed To: TS S 0 Date: 13 Sept 78					

25X1